



Agency Information Collection Activities: Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision, the Financial Statements for Holding Companies (FR Y-9 reports; OMB Control Number 7100-0128).

DATES: Comments must be submitted on or before [insert date 60 days after publication in the Federal Register].

ADDRESSES: You may submit comments, identified by FR Y-9, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include the OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any confidential business information, identifying information, or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684.

Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

During the comment period for this proposal, a copy of the proposed PRA OMB submission, including the draft reporting form and instructions, supporting statement, and other documentation, will be made available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above. Final versions of these documents will be made available at <https://www.reginfo.gov/public/do/PRAMain>, if approved.

Request for Comment on Information Collection Proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Proposal under OMB Delegated Authority to Extend for Three Years, with Revision, the Following Information Collection:

Report title: Financial Statements for Holding Companies.

Agency form number: FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-9ES, and FR Y-9CS.

OMB control number: 7100-0128.

Frequency: Quarterly, semiannually, and annually.

Respondents: Bank holding companies (BHCs), savings and loan holding companies (SLHCs), securities holding companies, and U.S. intermediate holding companies (IHCs) (collectively, holding companies).¹

Estimated number of respondents:

Reporting

¹ The following depository institution holding companies are exempt: (1) a unitary savings and loan holding company with primarily commercial assets that meets the requirements of section 10(c)(9)(c) of the Home Owners' Loan Act, for which thrifts make up less than 5 percent of its consolidated assets; and (2) a SLHC that primarily holds insurance-related assets and does not otherwise submit financial reports with the Securities and Exchange Commission pursuant to sections 13 or 15(d) of the Securities Exchange Act of 1934.

FR Y-9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 119; FR Y-9C (non-advanced approaches holding companies with \$5 billion or more in total assets): 221; FR Y-9C (advanced approaches holding companies): 9; FR Y-9LP: 412; FR Y-9SP: 3,708; FR Y-9ES: 78; FR Y-9CS: 236.

Recordkeeping

FR Y-9C: 349; FR Y-9LP: 412; FR Y-9SP: 3,708; FR Y-9ES: 78; FR Y-9CS: 236.

Estimated average hours per response:

Reporting

FR Y-9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 35.74; FR Y-9C (non-advanced approaches holding companies with \$5 billion or more in total assets): 44.94; FR Y-9C (advanced approaches holding companies): 50.16; FR Y-9LP: 5.27; FR Y-9SP: 5.45; FR Y-9ES: 0.50; FR Y-9CS: 0.50.

Recordkeeping

FR Y-9C: 1; FR Y-9LP: 1; FR Y-9SP: 0.50; FR Y-9ES: 0.50; FR Y-9CS: 0.50.

Estimated annual burden hours:

Reporting

FR Y-9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 17,012; FR Y-9C (non-advanced approaches holding companies with \$5 billion or more in total assets): 39,727; FR Y-9C (advanced approaches holding companies): 1,806; FR Y-9LP: 8,685; FR Y-9SP: 40,417; FR Y-9ES: 39; FR Y-9CS: 472.

Recordkeeping

FR Y-9C: 1,396; FR Y-9LP: 1,648; FR Y-9SP: 3,708; FR Y-9ES: 39; FR Y-9CS: 472.

General description of report: The FR Y-9 family of reporting forms continues to be the primary source of financial data on holding companies that examiners rely on in the intervals between on-site inspections. The Board requires holding companies to provide standardized financial statements to fulfill the Board's statutory obligation to supervise these organizations. Financial

data from these reporting forms are used to detect emerging financial problems, to review performance and conduct pre-inspection analysis, to monitor and evaluate capital adequacy, to evaluate holding company mergers and acquisitions, and to analyze a holding company's overall financial condition to ensure the safety and soundness of its operations. The FR Y-9C, FR Y-9LP, and FR Y-9SP serve as standardized financial statements for the holding companies. The FR Y-9ES is a financial statement for holding companies that are Employee Stock Ownership Plans. The Board uses the voluntary FR Y-9CS (a free-form supplement) to collect additional information deemed to be critical and needed in an expedited manner. Holding companies file the FR Y-9C on a quarterly basis, the FR Y-9LP quarterly, the FR Y-9SP semiannually, the FR Y-9ES annually, and the FR Y-9CS on a schedule that is determined when this supplement is used.

Proposed revisions:

Chief Executive Officer Contact Information

The Federal Reserve periodically needs to communicate directly with the CEOs of holding companies via email; however, the Federal Reserve currently does not have a complete list of CEO email addresses. To streamline communications to CEOs, the Board proposes to collect the name, email address, and phone number of the holding company's CEO on the FR Y-9C and FR Y-9SP reports. CEO communications would be initiated or approved by the Board's senior management and would involve topics such as new initiatives and policy notifications.

The proposed CEO contact information would be for the confidential use of the Federal Reserve and would not be released to the public. The Board intends for CEO email addresses and phone numbers to be used judiciously and only for significant matters requiring CEO-level attention. Having a comprehensive database of holding companies' CEO contact information, including email addresses and phone numbers, would allow the Federal Reserve to have current information to communicate important and time-sensitive information to CEOs. This information

is proposed to be collected quarterly on the FR Y-9C report for consistency with the Call Report and semiannually on the FR Y-9SP report. The information would be collected from top tier holding companies only.

Full-Time Employees

Consistent with the Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies of Entities Regulated by the Agencies,² which was issued as required by section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Board's Office of Minority and Women Inclusion (OMWI) conducts an annual survey of entities the Board regulates. In this voluntary survey, the Board collects a self-assessment report on diversity policies and practices from entities with 100 or more full-time equivalent employees.

Currently, to identify those entities that should be invited to participate in the survey, the Board's OMWI relies on the FR Y-9C and Call Report, which collect data on the number of full-time equivalent employees for the consolidated entity. Because these data are not collected on the parent-only FR Y-9SP or the nonbank subsidiary reports,³ the Board cannot accurately identify the FR Y-9SP reporters with 100 or more full-time equivalent employees on a consolidated basis that should be invited to participate in this survey.

Therefore, the Board proposes to add a new check box, Memorandum item 5, "Does your holding company have 100 or more full-time equivalent employees on a consolidated basis?" to Schedule SI, *Income Statement* of the FR Y-9SP report. The addition of this item on the FR Y-9SP would enable OMWI to have a comprehensive list of the institutions with full-time equivalent employees of 100 or more on a consolidated basis. The proposed data item would

² See 80 FR 33016 (June 10, 2015). Agencies include the Office of the Comptroller of the Currency (OCC); Board; Federal Deposit Insurance Corporation (FDIC); National Credit Union Administration (NCUA); Consumer Financial Protection Bureau (CFPB); and Securities and Exchange Commission (SEC).

³ The nonbank subsidiary reports include the Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314/2314S), Financial Statements of U.S. Nonbank Subsidiaries held by Foreign Banking Organizations (FR Y-7N/7NS/7Q), and Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11/11S).

only be collected from top tier holding companies and would be collected only on the report for the December 31 as-of date. Given that the additional information to be reported should be easily obtainable, the Board expects a small burden increase for reporters.

Brokered Deposits Glossary Entries

The FR Y-9C instructions Glossary defines “Brokered Deposits” and “Brokered Retail Deposits” consistent with section 29(g) of the Federal Deposit Insurance Act (FDI Act) and the FDIC’s brokered deposits regulation.⁴ Under these definitions, the meaning of the term “brokered deposit” references the defined term “deposit broker.” On January 22, 2021, the FDIC published in the Federal Register a final rule to amend its brokered deposits regulation (brokered deposits final rule),⁵ which established a new framework for analyzing certain provisions of the “deposit broker” definition in the FDI Act.⁶ The brokered deposits final rule clarified the term “deposit broker” and the analysis of whether entities are engaged in the business of placing, or facilitating the placement of, deposits. The revised FDIC regulation describes exceptions to the definition of “deposit broker” including when the primary purpose of an agent’s or nominee’s business relationship with its customers is not the placement of funds with depository institutions (primary purpose exception). The brokered deposits final rule introduced in the FDIC’s regulation a list of business relationships that are designated as meeting the primary purpose exception. In February 2021, the Federal Financial Institutions Examination Council proposed changes to the Call Reports forms and instructions consistent with the brokered deposits final rule and proposed conforming clarifications in the Call Reports Glossary.

To provide clarity for respondents, the Board is proposing to revise the FR Y-9C Glossary instructions to incorporate changes under the brokered deposits final rule consistent with the proposed Call Report revisions. Specifically, the Board proposes to reorder the content of the Glossary entries for “Brokered Deposits” and “Brokered Retail Deposits,” to incorporate

⁴ 12 CFR 337.6

⁵ 86 FR 6742 (Jan. 22, 2021).

⁶ 12 U.S.C. 1831f(g).

the revised content of the FDIC regulation, and to update reference to the FDIC insurance limit of \$250,000. The Board is not proposing otherwise to revise the FR Y-9C form or instructions in respect to brokered deposits.

SA-CCR Check Box

On January 24, 2020, the agencies issued a final rule⁷ (SA-CCR final rule) that amends the regulatory capital rule to implement a new approach for calculating the exposure amount for derivatives contracts for purposes of calculating the total risk-weighted assets (RWA), which is called SA-CCR. The final rule also incorporates SA-CCR into the determination of the exposure amounts of derivatives for total leverage exposure under the supplementary leverage ratio and the cleared transaction framework under the capital rule.

Holding companies that are not advanced approaches banking organizations⁸ may elect to use SA-CCR to calculate standardized total RWA by notifying the Board.⁹ Advanced approaches holding companies are required to use SA-CCR to calculate standardized total RWA starting on January 1, 2022. Advanced approaches holding companies may adopt SA-CCR prior to January 1, 2022, but must notify the Board of their early adoption.¹⁰

The Board proposes to revise the FR Y-9C forms and instructions by adding new line item 31.b, “Standardized Approach for Counterparty Credit Risk opt-in election.” The Board is proposing to add this new item to identify holding companies that have chosen to early adopt or voluntarily elect SA-CCR, which would allow for enhanced comparability of the reported derivative data and for better supervision of the implementation of the framework at these holding companies. Due to the inherent complexity of adopting SA-CCR, this identification is particularly important for non-advanced approaches institutions that choose to voluntarily adopt SA-CCR.

⁷ See 85 FR 4362 (January 24, 2021).

⁸ See 12 CFR 217.2 (defining “Advanced approaches Board-regulated institution”).

⁹ 12 CFR 217.34(a)(1)(ii)

¹⁰ 12 CFR 217.300(h)

A non-advanced approaches holding company that adopts SA-CCR would enter “1” for “Yes” in line item 31.b. All other non-advanced approaches holding companies would leave this item blank. If a non-advanced approaches holding company has elected to use SA-CCR, the holding company may change its election only with prior approval of the Board.¹¹ An advanced approaches holding company that elects to early adopt SA-CCR prior to the January 1, 2022, mandatory compliance date would enter “1” for “Yes” in line item 31.b. After January 1, 2022, an advanced approaches holding company would leave this item blank. This proposed reporting change would take effect starting with the December 31, 2021, FR Y-9C report. This item would no longer be applicable to advanced approaches holding companies starting with the March 31, 2022, report date. There would be no material change in burden to the FR Y-9C report related to this revision.

Legal authorization and confidentiality: The reporting and recordkeeping requirements associated with the Y-9 series of reports are authorized for BHCs pursuant to section 5 of the Bank Holding Company Act (BHC Act);¹² for SLHCs pursuant to section 10(b)(2) and (3) of the Home Owners’ Loan Act;¹³ for IHCs pursuant to section 5 of the BHC Act, as well as pursuant to sections 102(a)(1) and 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act);¹⁴ and for securities holding companies pursuant to section 618 of the Dodd-Frank Act.¹⁵

¹¹ 12 CFR 217.34(a)(1)(ii)

¹² 12 U.S.C. 1844.

¹³ 12 U.S.C. 1467a(b)(2) and (3).

¹⁴ 12 U.S.C. 5311(a)(1) and 5365. Section 165(b)(2) of Title I of the Dodd-Frank Act, 12 U.S.C. 5365(b)(2), refers to “foreign-based bank holding company.” Section 102(a)(1) of the Dodd-Frank Act, 12 U.S.C. 5311(a)(1), defines “bank holding company” for purposes of Title I of the Dodd-Frank Act to include foreign banking organizations that are treated as bank holding companies under section 8(a) of the International Banking Act, 12 U.S.C. 3106(a). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act, 12 U.S.C. 5365(b)(1)(B)(iv), certain foreign banking organizations subject to section 165 of the Dodd-Frank Act to form U.S. intermediate holding companies. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides additional authority to require U.S. IHCs to report the information contained in the FR Y-9 series of reports.

¹⁵ 12 U.S.C. 1850a(c)(1)(A).

Except for the FR Y-9CS report, which is collected on a voluntary basis, the obligation to submit the remaining reports in the FR Y-9 series of reports and to comply with the recordkeeping requirements set forth in the respective instructions to each of the other reports is mandatory.

Certain information collected on the FR Y-9C and FR Y-9SP Reports is kept confidential by the Board. The following items may be kept confidential under exemption 4 of the Freedom of Information Act (FOIA) because these data items reflect commercial and financial information that is both customarily and actually treated as private by the respondent:¹⁶

- FR Y-9C, Schedule HI, memoranda item 7(g), “FDIC deposit insurance assessments;”
- FR Y-9C, Schedule HC-P, item 7(a) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to U.S. government agencies and government sponsored agencies;”
- FR Y-9C, Schedule HC-P, item 7(b) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to other parties;”
- FR Y-9C, Schedule HC-C, Part I, Memorandum items 16.a and 16.b, for eligible loan modifications under Section 4013 of the 2020 Coronavirus Aid, Relief, and Economic Security Act; and
- FR Y-9C, Schedule HC and FR Y-9SP, Schedule SC, Memoranda item 2.b., the name and email address of the external auditing firm’s engagement partner.¹⁷

In some circumstances, disclosing these data items may also reveal confidential examination and supervisory information protected from disclosure under exemption 8 of the FOIA.¹⁸ The Board has previously assured submitters that these data items will be treated as confidential.

¹⁶ 12 U.S.C. 552(b)(4).

¹⁷ The Board has assured respondents that this information will be treated as confidential since the collection of this data item was proposed in 2004, under the assumption that the identity of the engagement partner is treated as private information by holding companies.

¹⁸ 12 U.S.C. 552(b)(8).

In addition, the Chief Executive Officer Contact Information section of both the FR Y-9C and FR Y-9SP may be kept confidential pursuant to FOIA exemption 6, which applies to personnel and medical files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy,¹⁹ and exemption 8, which applies to information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions.²⁰

Aside from the data items described above, data collected by the FR Y-9 reports generally are not accorded confidential treatment. As provided in the Board's Rules Regarding Availability of Information,²¹ however, a respondent may request confidential treatment for any data items the respondent believes should be withheld pursuant to a FOIA exemption. The Board will review any such request to determine if confidential treatment is appropriate and will inform the respondent if the request for confidential treatment has been granted or denied.

To the extent that the instructions to the FR Y-9 reports direct the financial institution to retain the workpapers and related materials used in preparation of each report, such material would only be obtained by the Board as part of the examination or supervision of the financial institution. Accordingly, such information may be considered confidential pursuant to exemption 8 of the FOIA.²² In addition, the workpapers and related materials may also be protected by exemption 4 of the FOIA to the extent such financial information is customarily and actually treated as private by the respondent.²³

Consultation outside the agency: The Board consulted with the FDIC and OCC regarding the proposed revisions on brokered deposits and SA-CCR check box.

¹⁹ 5 U.S.C. 552(b)(6).

²⁰ 5 U.S.C. 552(b)(8).

²¹ 12 CFR part 2

²² 5 U.S.C. 552(b)(8).

²³ 5 U.S.C. 552(b)(4).

Board of Governors of the Federal Reserve System, September 1, 2021.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

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